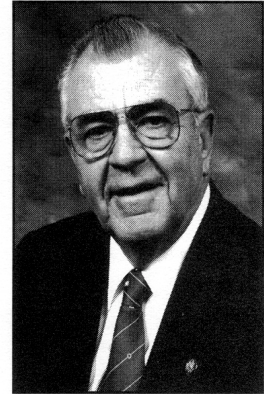


# **Congressman Herbert H. Bateman** *AMERICA'S FIRST DISTRICT — VIRGINIA* **News**



**2211 Rayburn HOB ■ Washington, DC 20515 ■ (202) 225-4261 ■ (202) 225-4382 FAX**

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**CONTACT:** Maureen Cragin  
Ryan Vaart  
(202) 225-2539

**OPENING STATEMENT**  
**THE HONORABLE HERBERT BATEMAN**  
**CHAIRMAN, SUBCOMMITTEE ON MILITARY READINESS**

This afternoon, the Subcommittee on Military Readiness is meeting to get a better understanding of current readiness of the military services and to get an assessment of the current and next year's budget request to adequately sustain acceptable levels of readiness. We have asked the vice chiefs of staff from each of the four military services to give us their views on these issues. The vice chief of staff of each of the military departments is charged with overseeing the day to day operations of their respective services.

Over the past five years, the Subcommittee on Military Readiness has taken issue with the shortages in the administration's budget proposals in several areas that the subcommittee believes are critical to maintaining readiness in the military services. These areas include base operations support, real property maintenance, depot maintenance, ship repairs and overhauls, operational tempo, quality of life improvements, and mobility enhancement funds. Between 1994 and 2000, this committee recommended over \$10.0 billion in additional funding to the Administration's requests in just these areas. However, this significant additional attention has not corrected the continual shortfalls in these accounts. One of the reasons for these shortfalls has been continued unscheduled and unbudgeted deployments which have caused severe strain on personnel and equipment. I am glad to see that, at last this year, funding for all of our current contingency operations has been included. Another reason is the high cost to maintain equipment that is well past its designed usage with little relief in sight.

After an initial look at the budget proposal for fiscal year 2001, it would appear that for the first time in many years, there is growth in the readiness accounts. This is good news, but this growth is primarily a reflection of a significant increase in the price of fuel and for normal inflation. Setting aside these growth factors, there is very little new money to arrest and turn around the declining readiness problems that are plaguing our military. In addition, the budget before us projects that readiness funding levels will decrease by nearly \$2.0 billion in fiscal year 2002.

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As they have done in previous years, the chiefs of the military services provided the committee with their lists of unfunded priorities for fiscal year 2001 that total \$15.5 billion and estimated the unfunded shortfall in the next five years to be at \$84.2 billion. Even after this committee's addition to the budget request of \$3.2 billion last year to reduce the readiness unfunded priorities of the military services, the list continues to grow.

Although the fiscal year 2001 budget request does contain increases in other important areas, such as procurement and military personnel, the illusion that the level of funding for readiness meets all of the services requirements is overstated. It is beyond my understanding how improvements to military readiness can be met with only inflationary increases, decreases in funding in the coming years, and ever increasing unfunded requirements that are many billions short in several critical areas.

Another area that has concerned me and many members of the subcommittee, is what the services do with the funds Congress authorizes and appropriates. A recent General Accounting Office report notes that over a five year period, 1994 to 1998, DOD changed funding in various O&M accounts by almost \$43 billion compared with the amounts the Congress originally designated for them. Article One, Section Eight of the Constitution requires that Congress provide for the military. I, and the members of the committee, take this responsibility very seriously. I understand that operational needs of the military require the movement of funds during the year of execution, but movements of this magnitude outside of the normal legislative process are unacceptable.

Also unacceptable is the continual under-execution of funds provided by Congress. As an example, during this same five-year period, the Navy under-executed its ship depot maintenance account by over \$1.2 billion. The Air Force under-executed its primary combat forces account by \$988 million. And the Army, in only two years, 1997 and 1998, under-executed its combat divisions account by \$580 million. These three specific service accounts are considered by DOD to be most directly related to readiness and have been designated by Congress as high-priority readiness related accounts. It is my intention to find out why these critical readiness accounts are consistently under-spent.

What we would like to hear from our witnesses today is: what has been done with the significant amounts of additional funding provided by Congress to fix readiness, what are the reasons why we are not there yet, and what will take to not only arrest the decline in readiness, but to provide a permanent, sustainable course of action to return readiness to acceptable levels. We would also like to hear from our witnesses on their assessment of current readiness and the risks involved in maintaining readiness in the current and project budget levels.

Because we owe it to the American taxpayer and our military men and women to ensure that there is sound stewardship over the resources that are entrusted to the Department of Defense, the hearing today is especially important. The issues we will discuss today have the potential of affecting military readiness now and in the future.

Our witness today will be:

- General John M. Keane, Vice Chief of Staff, United States Army
- Admiral Donald L. Pilling, Vice Chief of Naval Operations, United States Navy
- General Lester L. Lyles, Vice Chief of Staff, United States Air Force
- General Terrence Dake, Assistant Commandant, United States Marine Corps

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